

Press Release

For immediate release

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### **Emira Property Fund on track to maintain its distribution for the June Year-End**

Emira Property fund says the property market is recovering from the recession and it is on track to maintain its current level of distribution to its participatory interest holders for the six months ended June 2010.

At the half year stage in December, Emira delivered a distribution payment to PI holders that, at 51.84 cents, was 6.3% up on the previous comparable period.

Emira CEO says the fund is hoping to match that level of growth, or exceed it slightly, for the period ended in June 2010.

Says Templeton:

“In 2009 landlords were on the back foot with rising vacancies and little growth – and in some cases declines - in rental levels. This year vacancies have stabilized and, generally, tenants seem to be under less pressure. Thus the outlook for distribution growth remains positive.”

One slight concern, says Templeton, is the rising level of bad debts among some financially stressed tenants, which typically continues even after the economy has begun to recover. However, he notes, that Emira has adequately provided for this and there is little cause for concern.

According to Templeton the letting market is beginning to pick up – albeit at a slower rate than initially anticipated.

For example, in the industrial market Emira has recently concluded some good lets. The balance of the vacant space at the TIS Corporate Park development in Midrand, which it acquired from Eris Properties with an eighteen-month rental warranty in November 2008, is now fully let with Paramount Logistics taking the remaining 2 600m<sup>2</sup>. There is also strong letting interest on two of the four units in nearby Admiral House, which is being rebuilt to improved specifications after a fire in 2009 destroyed the building.

In the retail sector, he says there is growing interest from certain national chains in taking space in well-established and growing shopping centres – such as Emira’s 63 000 m<sup>2</sup> Wonderpark flagship centre in Pretoria where possible extensions are being considered for Woolworths and several other national food and fashion chains; Market Square in Plettenberg Bay where the Woolworths outlet is being extended and Randridge Mall in Randpark Ridge where refurbishments have taken place to the Pick ‘n Pay, Woolworths and Mr Price stores, amongst others.

The office letting market, he says, remains mixed, but he adds that there are signs that things are beginning to improve. For example, at its Rigel Park development in Pretoria, where Emira has just completed a R14m refurbishment, close to 70% of the available space has already been let to two major tenants.

“Since the beginning of 2010 things have clearly improved in the property market and we expect them to continue to improve for the remainder of the year,” he says.

Ends

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